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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/253,057 02/19/99 WOOLSTON

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EXAMINER

THOMPSON JR, F

ART UNIT

PAPER NUMBER

2165

DATE MAILED:

15  
12/12/00

**Please find below and/or attached an Office communication concerning this application or proceeding.**

**Commissioner of Patents and Trademarks**

# Office Action Summary

Application No.  
**09/253,057**

Applicant(s)

**WOOLSTON**

Examiner  
**Forest Thompson Jr.**

Group Art Unit  
**2165**



☒ Responsive to communication(s) filed on 8/28/00

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire THREE month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claim

☒ Claim(s) 46-95 is/are pending in the applicat

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration

☒ Claim(s) 80-89 and 91-95 is/are allowed.

☒ Claim(s) 46-79 and 90 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☒ None of the CERTIFIED copies of the priority documents have been  
☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_.

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☒ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☒ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). \_\_\_\_\_

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

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### **DETAILED ACTION**

1. This action is responsive to the amendment filed 28 August 2000 (see Paper #12) which deleted claims 11-45 and added new claims 46-95. **Claims 46-95 are pending in this application.**
2. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action (see Paper #10), or will be included here for clarity, as necessary. The text of those sections of Title 35, U.S. Code not otherwise provided in a prior Office action will be included in this action where appropriate.
3. Claims 46-95 have been examined.
4. On Paper #12, all pages except pg. 1 indicate that this amendment applies to application #09/255,057. Examiner assumes that applicant inserted the wrong number since the content follows application #09/253,057. Correction is required on future correspondence. If this is incorrect, then applicant should notify the examiner accordingly.

### ***Claim Rejections - 35 USC § 103***

5. Official Notice is taken that claims 46-79 and 90 claim a different invention than that claimed in claims 80-89 and 91-95, there being no allowable generic or linking claim. Claims

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46-79 and 90 claim a computer-implemented two-tiered electronic market system for used and collectible goods (invention #1). Claims 80-89 and 91-95 claim an electronic auction system that facilitates electronic commerce (invention #2). Because these inventions are distinct and have acquired a separate status in the art because of their recognized divergent subject matter (as illustrated by their different classification), restriction for examination purposes as indicated is proper. Additionally, because these inventions are distinct for the reasons given above in this section and the search required for Group 705/27 is not required for Group 705/37, restriction for examination purposes as indicated is proper.

Applicant is advised that the reply to this requirement to be complete must include an election of the invention to be examined even though the requirement be traversed (37 CFR 1.143).

6. Claims 46-79 and 90 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Nahan et al.** (U.S. Patent No. 5,664,111).

7. As per claims 46-47 and 56, **Nahan** discloses:

- a data repository (col. 2 lines 60-64);
- a first-tier electronic market (col. 2 lines 50-57; col. 7 lines 35-45)
- the inventory being offered to the first participant under a first pricing scheme (col. 13 lines 13-28); and

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- the first-tier electronic market comprises a business-to-consumer electronic market (col. 2 lines 52-59); and
- a second-tier electronic market (col. 2 line 50-57).

**Nahan** does not specifically disclose the inventory being offered to the second participant under a second pricing scheme different from the first pricing scheme, the second-tier electronic market comprises a business-to-business electronic market, nor the dealer comprises a wholesaler. However, Official Notice is taken that it was old and well known in the art at the time the invention was made that the inventory is offered to the second participant (i.e., business-to-business) under a second pricing scheme different from that offered to the first participant under the first pricing scheme. An obvious example of this are automobile dealerships. When a dealer (the second participant) wants a vehicle that he does not currently have in stock, he has the option of searching other affiliated dealerships for the desired vehicle, and consummating a deal to transfer the desired vehicle to his dealership at appropriate dealer's (i.e., manufacturer's) costs, which constitutes a "wholesale" price in the eyes of a buyer (e.g., first participants). This dealer then has the option of selling this vehicle at manufacturer's retail price to the first participant. A first participant in the first tier in this case would be a consumer buying from the affiliated dealership an automobile at the retail price. Therefore, it would have been obvious to one skilled in the art at the time the invention was made to combine old and well known art with **Nahan** to disclose the inventory being offered to the first participant under a first pricing scheme (the first-tier electronic market comprising a business-to-consumer electronic market) and the inventory

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being offered to the second participant under a second pricing scheme different from the first pricing scheme (the second-tier electronic market comprises a business-to-business electronic market and the dealer comprises a wholesaler), because this increases sales opportunities for the businesses.

As per claim 48, **Nahan** discloses:

- the first pricing scheme comprises retail pricing (col. 4 lines 54-61); and
- the second pricing scheme comprises wholesale pricing (col. 4 lines 54-61).

As per claim 49, **Nahan** discloses the second pricing scheme is transparent to the first participant (col. 13 lines 13-28).

As per claim 50, **Nahan** discloses the second pricing scheme is unavailable to the first participant (col. 13 lines 13-28).

As per claim 51, **Nahan** discloses the first pricing scheme is visible to the second participant (col. 13 lines 13-28).

As per claim 52, **Nahan** discloses the inventory of one or more items comprises goods or services or both goods or services (col. 4 lines 54-61).

As per claim 53, **Nahan** discloses another inventory of items available only to the second participant (col. 4 lines 27-38).

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As per claim 54, **Nahan** discloses another inventory of items available only to the first participant (col. 4 lines 62-67; col. 5 lines 1-3).

As per claim 55, **Nahan** discloses:

- the first participant comprises a retail buyer (col. 7 lines 35-45); and
- the first participant comprises a dealer (col. 2 line 50-59).

As per claim 57, **Nahan** discloses a plurality of first participants, each of which is offered the inventory of one or more items under the first pricing scheme (col. 4 lines 16-53).

As per claim 58, **Nahan** does not specifically disclose a plurality of second participants, each of which is offered the inventory of one or more items under the second pricing scheme. However, Official Notice is taken that it was old and well known in the art at the time the invention was made that inventory is offered to second participants (i.e., business-to-business) under a second pricing scheme not available to first participants. An obvious example of this are automobile dealerships. When dealers want a vehicle that they do not currently have in stock, they have the option of searching other affiliated dealerships for the desired vehicle, and consummating a deal to transfer the desired vehicle to their dealership at appropriate dealer's (i.e., manufacturer's) costs, which constitutes a "wholesale" price in the eyes of a buyer (e.g., first participants). This dealer then has the option of selling this vehicle at manufacturer's retail price to the first participant.

Also, **Nahan** discloses using codes to portray an actual wholesale price or cost term (i.e., wholesale price term) and not displaying actual cost numerals for the wholesale price term.

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This use as illustrated in **Nahan** (col. 13 lines 13-28) provides a desired mystery as to the actual wholesale price term for retail-tier participants, while disclosing to wholesale-tier participants actual wholesale costs on the same display.

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to combine old and well known art with **Nahan** to disclose the inventory being offered to a plurality of second participants, each of which is offered the inventory of one or more items under the second pricing scheme, because this increases sales opportunities for the businesses.

As per claim 59, **Nahan** discloses the first-tier electronic market and the second-tier electronic market share the data repository (col. 3 lines 29-44).

As per claim 60, **Nahan** discloses the second participant:

- can add, modify or delete items in the data repository (Abstract, col. 2 lines 60-64); and
- can specify the first pricing scheme, the second pricing scheme, or both (col. 7 line 60 thru col. 9 line 29).

As per claim 61, **Nahan** discloses the data repository comprises data records (Abstract; col. 2 line 60 thru col. 3 line 2; col. 4 lines 54-61; col. 13 lines 13-28).

As per claim 62, **Nahan** discloses:

- the first price comprises a business-to-consumer price (col. 13 lines 13-28); and
- the second price comprises a business-to-business price (col. 13 lines 13-28).



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As per claim 63, **Nahan** discloses the second participant has privileges, unavailable to the first participant, that enable the second participant to access second-tier electronic market (col. 13 lines 13-28). Official Notice is taken that using codes to portray an actual wholesale price or cost term (i.e., wholesale price term) and not displaying actual cost numerals for the wholesale price term was old and well known in the art at the time the invention was made. This use as illustrated in **Nahan** (col. 13 lines 13-28) provides a desired mystery as to the actual wholesale price term for retail-tier participants, while disclosing to wholesale-tier participants actual wholesale costs on the same display.

Additionally, Official Notice is taken that it was old and well known in the art at the time the invention was made that inventory is offered to second participants (i.e., business-to-business) under a second pricing scheme not available to first participants. An obvious example of this are automobile dealerships. When dealers want a vehicle that they do not currently have in stock, they have the option of searching other affiliated dealerships for the desired vehicle, and consummating a deal to transfer the desired vehicle to their dealership at appropriate dealer's (i.e., manufacturer's) costs, which constitutes a "wholesale" price in the eyes of a buyer (e.g., first participants). This dealer then has the option of selling this vehicle at manufacturer's retail price to the first participant.

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to combine old and well known art with **Nahan** to disclose the second participant has privileges, unavailable to the first participant, that enable the second participant to access second-

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tier electronic market, because this increases sales opportunities for the businesses and offers alternatives in controlling inventory.

As per claim 64, **Nahan** discloses the second participant comprises a trusted dealer (Abstract; col. 2 lines 50-59)

As per claim 65, **Nahan** discloses the first-tier and second-tier electronic markets are implemented on a same computer system (col. 2 lines 38-67; col. 3 lines 1-9).

As per claim 66, **Nahan** discloses the first-tier and second-tier electronic markets are implemented on separate computer systems interconnected by a network (col. 4 lines 1-6).

As per claim 67, **Nahan** discloses the two-tiered electronic market system is implemented on a market maker computer system (fig. 1 [10]; col. 5 lines 45-48).

As per claim 68, **Nahan** discloses a participant is granted access to the first-tier electronic market or the second-tier electronic market (col. 7 lines 34-44).

As per claim 69, **Nahan** discloses a login process that grants the participant access to the second-tier electronic market if the participant has been pre-approved (col. 7 lines 34-44).

As per claim 70, **Nahan** discloses the login process determines that the participant is pre-approved to access the second-tier electronic market if the participant enters a predetermined login ID or password or both (col. 7 lines 34-44).

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Claim 71 is written as a method and contains the same limitations as claim 46; therefore, the same rejection is applied.

As per claims 72-73, **Nahan** discloses storing in the data repository a predetermined fixed rate that determines a price differential between the first-tier and the second-tier electronic markets (col. 4 lines 54-61; col. 13 lines 13-28). Also, **Nahan** does not specifically disclose the predetermined price differential is established by one or more dealer participants in the second tier electronic market. However, Official Notice is taken that it was old and well known in the art at the time the invention was made that inventory is offered to second participants (i.e., business-to-business) under a second pricing scheme. An obvious example of this are automobile dealerships. When dealers want a vehicle that they do not currently have in stock, they have the option of searching other affiliated dealerships for the desired vehicle, and consummating a deal to transfer the desired vehicle to their dealership at appropriate dealer's (i.e., manufacturer's) costs, which constitutes a "wholesale" price in the eyes of a buyer (e.g., first participants). This dealer then has the option of selling this vehicle at manufacturer's retail price to the first participant.

Additionally, Official Notice is taken that using codes to portray an actual wholesale price or cost term (i.e., wholesale price term) and not displaying actual cost numerals for the wholesale price term was old and well known in the art at the time the invention was made. This use

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provides a desired mystery as to the actual wholesale price term for retail-tier participants while disclosing to wholesale-tier participants actual wholesale costs.

Therefore, it would have been obvious to one skilled in the art at the time the invention was made to combine old and well known art with **Nahan** to disclose storing in the data repository a predetermined fixed rate that determines a price differential between the first-tier and the second-tier electronic markets and the predetermined price differential is established by one or more dealer participants in the second tier electronic market, because this increases sales opportunities for the businesses.

Claim 74 is written as a method and contains the same limitations as claims 72-73; therefore, the same rejection is applied.

As per claim 75, **Nahan** discloses facilitating a financial transaction in the first-tier electronic market between a consumer participant and a dealer participant, the transaction having finality of transaction (col. 2 lines 38-45).

As per claim 76, **Nahan** discloses facilitating a financial transaction in the second-tier electronic market between a first dealer participant and another dealer participant, the transaction having finality of transaction (col. 2 lines 38-45)

Claim 77 is written as a method and contains the same limitations as claims 75; therefore, the same rejection is applied.

Claim 78 is written as a method and contains the same limitations as claims 76; therefore, the same rejection is applied.

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As per claim 79, **Nahan** discloses:

- receiving payment information from at least one participant in the first or second electronic market (col. 13 lines 54-67; col. 14 lines 1-5);
- processing the received payment information (col. 13 lines 54-67; col. 14 lines 1-5; col. 14 lines 46-49); and
- transferring an ownership interest in an item to the at least one participant (col. 14 lines 31-46).

As per claim 90, **Nahan** discloses:

- a first storage location for storing information describing an item for sale (col. 2 line 60 thru col. 3 line 9; col. 5 line 49 thru col. 6 line 25);
- a second data storage location for storing a user identification (col. 2 line 60 thru col. 3 line 9; col. 5 line 49 thru col. 6 line 25); and
- a display process for selectively displaying, depending on the user identification stored in the second storage location, the retail price term to retail-tier participants and at least the wholesale price term to wholesale-tier participants (col. 7 lines 35-45; col. 12 lines 52-58; col. 13 lines 13-28), using predefined or disclosed codes for wholesale-tier participants.

Additionally, Official Notice is taken that using codes to portray an actual wholesale price or cost term (i.e., wholesale price term) and not displaying actual cost numerals for the wholesale price term was old and well known in the art at the time the invention was made. This use as

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illustrated in **Nahan** (col. 13 lines 13-28) provides a desired mystery as to the actual wholesale price term for retail-tier participants, while disclosing to wholesale-tier participants actual wholesale costs on the same display.

***Allowable Subject Matter***

8. **Claims 80-89 and 91-95 are allowable.**

9. The following is a statement of reasons for the indication of allowable subject matter:

The prior art, when considered as a whole, hails to teach or fairly suggest a method for facilitating electronic commerce using an electronic system having at least a wholesale tier and a retail tier , the method comprising:

- differentiating retail auction participants from wholesale auction participants;
- presenting for auction an item description stored in a database operationally coupled to the electronic auction system, the presentation of the item including a current retail bid amount; and
- receiving a wholesale bid from at least one wholesale-tier participant; selectively displacing the current retail bid if the received wholesale bid increased by a predetermined amount is greater than the current retail bid.

Prior art cannot be found that provides the features identified above for the auction aspect of the invention. Art that was found with some features of this invention was invented after the

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priority date of the invention: 11/07/1995, based on the parent application, #08/554,704 dated 11/07/1995, now U.S. Parent No. 5,845,265, printed 12/01/1998.

### ***Response to Arguments***

10. Applicant's amendment deleted claims 11-45 and added new claims 46-95, necessitating new grounds for rejection. Applicant's arguments filed 28 August 2000 have been fully considered, but they are not persuasive.

While applicant's arguments for claims 11-45 and 46-95 may have some relevance, **new grounds for rejection have been generated for the claims 46-79 and 90** (see paragraphs 4-7 above), necessitated by applicant's amendment, which makes his arguments moot. Therefore, rejection of claims 46-79 and 90 is maintained. **Claims 80-89 and 91-95** have been indicated above as allowable subject matter.

### ***Conclusion***

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO**

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MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- **Fraser** (U.S. Patent No. 5,664,115) discloses a method and apparatus of automatically matching sellers of property with potential buyers through a communications network (preferably the Internet) in which a host system communicates with the sellers and the potential buyers over telephone or dedicated data transmission lines.
- Fisher et al. (PCT No. WO 97/37315) discloses a system and method for conducting a multi-person, interactive auction, in a variety of formats;
- Shoham et al. (PCT No. WO 00/08578) discloses a universal auction specification system including a network-accessible set of trading primitives and a market specification console that includes a script generator for combining the set of trading primitives into a temporal protocol script representing a particular auction specification;



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- Alaia et al (PCT No. WO 00/17797) discloses a method for conducting electronic auctions;
- Egan (PCT No. WO 00/62231) discloses a system on a Web-site that supports the "online-to-offline" retail market;
- Garcia, Beatrice; "Fast-moving pace is not for the shy or the undecided," Herald Real Estate; Miami Herald, Final Edition, pg. 4G; 05 May 1991, discloses some auction companies offer a discount on the sale price if a bidder has pre-arranged financing and can close in less time;
- Feldman, Robert; Mehra, Rajnish; "Auctions: Theory and applications," International Monetary fund papers; v40n3, pp: 485-511; September 1993, discloses an auction can discriminate among bidders in the sense that they can pay different prices according to the amount they bid; and
- "Go for the Green- Country club Members Scrambling to buy PGA West, Mission Hills Courses at Auction," Los Angeles Times; Home Edition, colD 1, pg. 3; 20 June 1993, discloses bidders paying cash will be given a 15% price discount.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Forest Thompson whose telephone number is (703) 306-5449. The examiner can normally be reached Monday-Friday from 7:30 AM to 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin, can be reached at (703) 308-1065.

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The fax number for Formal or Official faxes to Technology Center 2700 is (703) 308-9051 or 9052. Draft or Informal faxes for this Art Unit can be submitted to (703) 308-5357.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

December 7, 2000 /FOT



VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2100